



Republican Policy Committee

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Major Themes for Budget Debate

- **THIS DEBATE IS AN HISTORIC OCCASION.** For the first time in three decades, the Congress is on course to adopt a budget that brings us into balance by the year 2002.
 - ▶ Since the budget was last balanced in 1969, all efforts to confront the deficit have, at best, only resulted in *deficit reduction*.
 - ▶ The Senate Budget Committee plans *deficit elimination*.
- **THE BUDGET KEEPS FAITH WITH OUR CHILDREN.** Balancing the budget will give them the opportunity to build a future free from debt and full of opportunity.
 - ▶ After FY 2002, our government will start paying down the debt from the bills we've run up over the past 200 years.
 - ▶ Children born today will no longer face a tax burden of up to 84 percent of their lifetime earnings in taxes to support an out-of-control federal budget.
 - ▶ Long-term interest rates will decline by up to two percent, making education, housing, cars, and other essentials easier to buy.
 - ▶ Up to 6.7 million new jobs could be created once the budget is balanced
 - ▶ Today, each child owes over \$18,500 in his share of the national debt. Bill Clinton's business-as-usual spending plan would increase that debt share to over \$23,000 in just five years.
- **THE BUDGET MAKES THE HARD DECISIONS FOR OUR FUTURE.**
 - ▶ It eliminates wasteful and unnecessary programs that no longer work — 142 of them.
 - ▶ It consolidates and transforms duplicative programs, and turns responsibility for many of them over to the states.
 - ▶ It makes Congress and the White House lead by example by reducing funding up to 25 percent.
 - ▶ It banks savings from reducing the deficit for a tax reduction package.
- **THE BUDGET PROTECTS SOCIAL SECURITY.**
 - ▶ Earlier this year, Republicans promised to protect Social Security on the path to a balanced budget.
 - ▶ And Republicans delivered. Social Security spending will increase from \$336 billion to \$482 billion over the next seven years — not one penny was removed from the Social Security budget.

• **THE BUDGET PRESERVES, PROTECTS, AND IMPROVES MEDICARE.**

- ▶ Medicare spending will continue to increase at an average of 7.1 percent annually — well above the rate of inflation — but not as high as the 10 percent annual growth rate estimated under current law.
- ▶ Medicare spending will rise from \$161 billion this year to \$256 billion by FY 2002, an increase of nearly 40 percent.
- ▶ Republicans create a bipartisan commission to recommend ways to preserve the short-term, and long-term, solvency of the Medicare system.
- ▶ According to the Clinton Administration's own Medicare trustees, the program will begin running short of funds next year, and actually go bankrupt in 2002.
- ▶ Instead of stepping forward with a rescue plan, the Clinton Administration petulantly continues to hold Medicare hostage to its failed dream of implementing government-run health care.

• **THE PRESIDENT, AND HIS DEMOCRATS, PUNT ON BALANCING THE BUDGET.**

- ▶ President Clinton's budget plan, offered in February, contemplates deficits rising to nearly \$350 billion by 2005. The Senate rejected that budget by a vote of 99-0 on May 19, 1995.
- ▶ Democrats on the Senate Budget Committee didn't even offer a balanced-budget alternative during committee consideration.
- ▶ The Congressional Democrat leadership has stated it will not offer a balanced-budget plan of its own.
- ▶ The President ducked the invitation of the House Rules Committee to offer a balanced budget plan for floor debate, and a vote, the week of May 15, 1995.
- ▶ Senate Democrats supported numerous amendments in the Senate Budget Committee, and have indicated that they will offer numerous amendments on the floor, which increase spending.
- ▶ Over 80 percent of Americans supported the balanced budget amendment, which lost in the Senate when six Democrats changed their votes to no.
- ▶ It's time Democrats said yes to balancing the budget, and give us their plan to show us how they think we should get to balance by 2002.

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